



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Mark Linder

SUBJECT: SEE BELOW

DATE: October 7, 2004

Approved

Date

10-14-04

**SUBJECT: PROPOSED POLICY FOR USE OF MAYOR AND COUNCIL TRAVEL
FUND**

RECOMMENDATION

Approve the following policy guidelines for use of the Mayor and Council Travel Fund

The Mayor and Council Travel Fund may be used for:

- 1) The annual San Jose Silicon Valley Chamber of Commerce and City of San Jose City to City trip.
- 2) Mayor and Council member travel where those traveling are appointed by the Council to represent the City to either advocate for priority legislation or to represent the City on Boards and Committees of the League of California Cities, the U.S. Conference of Mayors or the National League of Cities.

Elected officials wishing to use these funds should submit a written request to the Rules Committee.

BACKGROUND

The City's economic development strategy calls for actions to increase San Jose's visibility. The City also has established legislative priorities for Sacramento and Washington. Finally, San Jose is a member of the League of California Cities, the US Conference of Mayors and the National League of Cities. On the other hand, the City has been very careful about expending City funds for travel. Council adopted a policy restricting Mayor and Council from using Council General Funds for travel.

In an effort to achieve the goals of increasing City of San Jose visibility and advocating for critical City legislative priorities, as well as continuing to maintain tight controls on City expenditures for travel, the administration is proposing the establishment of a modest Mayor and Council Travel Fund. The Fund is established as part of the FY 03-04 Annual Report.

ANALYSIS

At the recent Getting Families Back to Work Study Session, several panel members urged the Mayor and Council members to become more active in promoting San Jose. This is consistent with the City's adopted Economic Development Strategy.

Further, each year, the Council adopts its highest priorities for state and federal action. Finally, the Mayor, the Vice Mayor and several Council members represent San Jose on boards or committees of the U.S. Conference of Mayors, the League of California Cities and the National League of Cities. Being active in the leadership of these organizations advances the visibility of San Jose as well as the City's state and federal priorities.

Nonetheless, the City is in its third consecutive year of budget reductions and shrinking revenues as the regional economy continues to face challenges. In light of these challenges, the Council approved several cost management strategies including restrictions on travel. Travel by City staff must be approved in advance by the City Manager's Office. Mayor and Council member travel must be paid for by Mayor and Council Office budgets rather than out of Council General Fund. These actions have resulted in a 70% reduction in travel expenditures.

Since the Mayor and Council office budgets have been reduced over the past few years, the administration is searching for a way to enable elected officials to participate in activities that promote the visibility of San Jose and the City's state and federal priorities while maintaining controls over travel expenditures. The proposed Mayor and Council Travel Fund is established from FY03-04 Fund Balance. The suggested amount for the Travel Fund is \$35,000. The Fund would be managed by the City Clerk's Office. Elected officials wishing to use these funds would need to meet the criteria outlined in the recommended policy and would need to submit a written request to the Rules Committee.

One of the recommended uses for this travel fund is the annual San Jose Silicon Valley Chamber of Commerce, San Jose State University, City of San Jose City to City trip. This annual trip is an opportunity to learn best practices from comparable cities, promote San Jose, and develop relationships with other elected, academic and business officials. The 2004 trip is to San Antonio, Texas. Previous trips have been to San Diego, Vancouver, and Phoenix. The second use is for travel for those who have been appointed by the City Council to represent the City on boards and committees of the U.S. Conference of Mayors, National League of Cities and the League of California Cities or to advocate for the City's highest state and federal priorities.

During the FY05-06 Budget process, the Clerk's Office will report how the fund was used and the results from the funded activities.

COORDINATION

This memo has been coordinated with the Budget Office and the Office of the City Clerk.

The Honorable Mayor and City Council

October 7, 2004

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FISCAL IMPACT

A recommendation to appropriate \$35,000 for the Mayor/Council Travel Fund is included in the FY 2003-04 Annual Report, to be heard by the Council on October 12, 2004.

A handwritten signature in black ink, appearing to read 'Mark Linder', with a long horizontal flourish extending to the right.

MARK LINDER

Assistant City Manager